Non-Availability of finance for SSIs

3526. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that non-availability of finance remains a major area of concern for the SSIs Sector which is an important segment of country's economy;

(b) whether Government are also aware that the problem is compounded as the banks demand collateral securities, making it difficult for SSI entrepreneurs to get easy loan from banks;

(c) if so, the details thereof;

(d) whether Government propose to discourage the banks from demanding collateral securities from SSI entrepreneurs; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) The Reserve Bank of India (RBI) has reported that credit to small scale industrial (SSI) sector has almost continuously kept pace with the increase in net bank credit as would be observed from the following

As on last Friday of	Net bank Credit	Credit to SSI Sector	% of credit to SSI sector to Net Bank Credit
March 1993	132782	10388	14.6%
March 1994	140714	21581	15.3%
March 1995	169038	25843	15.3%
March 1996	184391	29482	15.99%
Sept. 1996	175291	28809	16.4%

(b) and (c) RBI has reported that under the existing security norms, banks do not take collateral/third party guarantee in respect of loans upto Rs. 25,000/- Only the assets created out of loans sanctioned are required to be pledged/ hypothecated to the banks. For loans above Rs. 25,000/-, the banks are free to determine the security norms depending upon merits of each case. However, collateral security by way of immovable properties or third party guarantee may be asked for only in cases where primary security is inadequate or for other valid reasons and not as a matter of routine. Proposals otherwise viable should not be turned down merely for want of such collateral security or third party guarantee.

(d) and (e) No change in the existing guidelines is considered necessary.

Income-Tax evasion exceeding rupees one crore

3527. SHRI M.A. BABY: Will the Minister of FINANCE be pleased to state:

(a) the details of cases of income tax evasion of rupees one crore and above by individuals and corporate bodies during the last three years; and

(b) the details of action taken in each case?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) and (b) There are a number of cases in which prima facie tax evasion of rupees one crores and above have been detected by the Income-tax Department. However, since these cases are either at various stages of completion or pending before

appellate authorities, it is not possible to give details. But in all cases of tax evasion, appropriate actions as per income-tax Act, are taken.

Proposal for Reinvestment of rupee fund

3528. SHRI SANJAY DALMIA: Will the Minister of FINANCE be pleased to state:

(a) whether the Russian Vice Prime Minister, during his recent visit to India, had proposed to use the rupee fund accumulated in its account, for reinvestment in India;

(b) if so, the details of the proposal and the area in which the fund is to be utilised;

(c) whether he has also invited Indian Banks and other business organisations to set up their branches is Russia; and

(d) if so, the reaction of Government in regard thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Yes, Sir, the Russian Deputy Prime Minister, Mr. Davydov during his discussions in New Delhi in October, 1996 had expressed Russia's interest in early finalisation of the policy on Russian investments in projects in India, through rupee debt funds.

(b) The details in this regard, including the areas for such investments, and related modalities are under discussion between the two Governments.

(c) and (d) The Russian Deputy Prime Minister emphasised the importance of setting up branches of Indian Banks in Russia so as to promote bilateral economic cooperation. Some Indian Banks are understood to be pursuing commencement of operations in Russia.

VIP branches of State Bank of India

3529. DR. D. MASTHAN: Will the Minister of FINANCE be pleased to state:

(a) whether some VIP branches are functioning under the State Bank of India, Local Head Office, new Delhi; if so, where are these branches located in New Delhi;

(b) whether it is a fact that some officers, clerk and peons are working in these VIP branches for more than eight or ten years depriving other award staff and officers to work in these branches;

(c) if so, the details thereof, designation-wise and name-wise in each branch; and

(d) what steps Government would take to rotate officers, clerks and peons every five years as provided in the service manual of the bank and also to provide an opportunity to other staff to work in these VIP branches?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) State Bank of India have reported that there is no branch designated as VIP branch.

(b) to (d) Do not arise in view of reply to (a) above.

Income Tax raids on police officers in Goa

3530. SHRI JOHN F. FERNANDES: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Income Tax Department and Directorate of Revenue Intelligence raided certain police officers in Goa and unearthed huge amounts of unaccounted cash and valuables;

(b) if so, the total amount seized and the incriminating documents recovered; and

(c) the names and designations of these officers and the action being contemplated against them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) No, Sir.

(b) and (c) Do not arise.